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*b. Inventory*

The Debtors are assumed to have approximately $82.5 million of inventory at the Conversion Date, net of reserves for excess and obsolescence inventory. It is assumed that the Debtors would operate for 60 days post-Conversion Date to convert and sell inventory to maximize recoveries in a chapter 7 liquidation. The inventory held by vendors, estimated at approximately $2.2 million at the Conversion Date, is assumed to be retained by the vendor on account of amounts owed to the vendors. After the post-Conversion Date operations are concluded, there is assumed to be no recoverable value on account of inventory.

*c. Prepaid Expenses & Deposits*

The Debtors are assumed to have approximately $36.8 million of prepaid expenses and deposits at the Conversion Date. Many of the component accounts are of a nature that are not expected to generate proceeds in a chapter 7 liquidation. Prepaid software implementation, maintenance and licenses represent $17.8 million of this balance.

Another $16.2 million of prepaids and deposits represent amounts such as prepaid insurance, payroll and rents, deposits with the health insurance providers, utilities (excluding adequate assurance deposit funded pursuant to the Debtors' chapter 11 filing) and other vendors. It is assumed the vendors would offset these amounts against amounts that the Debtors owe to the vendors holding the deposits and therefore no proceeds would be generated from these assets in a chapter 7 liquidation.

The remaining $2.8 million of accounts encompassed in prepaid expenses and deposits are miscellaneous items that are assumed to generate no recoveries in a chapter 7 liquidation.

*d. Property Plant & Equipment*

The Debtors are estimated to have approximately $308.0 million of net book value of property plant and equipment at the Conversion Date. There are several classes of assets where it is assumed that there is no liquidation value. This includes right-of-use assets for operating and capital leases[14] ($102.4 million of net book value), leasehold improvements (net book value of $36.5 million) and construction-in-progress (net book value of $46.5 million).

Real property (representing land, land improvements, building and building improvements) is unencumbered and their liquidation value is based on valuations obtained by the Debtors in the middle of 2022. Additionally, the ratio of appraised value to net book value is consistent with recent dispositions of real property by the Debtors in 2020 through 2022. The real property valuations are based on 9-12 months of marketing efforts. The timeline assumed in the chapter 7 liquidation is on the low-end of this range, which is why the assumed liquidation value is between 75 and 100 percent of the appraised value. The net book value of real property is estimated to be $28.1 million at the Conversion Date and the liquidation analysis assumes that the Debtors realize between $33.7 and $44.9 million.

For encumbered fixed assets (plant equipment, transportation equipment and office equipment), the liquidation analysis uses the recovery rates, by asset class, as a percent of net book value achieved in recent plant closures and other fixed asset sales in 2020 through 2022. The net book value of these assets is estimated at the Conversion Date to be $94.5 million and it is estimated that the Debtors will receive approximately $22.3 to $44.7 million.

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[14] These assets do not convey a legal right to monetize these assets. They represent the future lease payments that the Debtors are obligated to make pursuant to the terms of the lease agreements.

*e. Intangible Assets*

The Debtors' intangible assets consist primarily of customer relationships and trademarks. These assets were established pursuant to purchase accounting at the time of the Advent International acquisition of Serta Simmons in 2012 as well as the subsequent acquisition of Tuft & Needle in 2018.

1. For liquidation analysis purposes, because the customer relationships are not supported by long-term contracts with stated purchase requirements, they assumed to have no value as there is no benefit to an acquirer given that they are not obtaining any tangible assets to monetize the customer relationships.
2. The liquidation analysis estimates the value of the Debtors' trademarks based on benchmarking against other chapter 7 transactions involving trademarks and intangible assets to develop a value multiple as a percentage of revenue. The benchmark rate was converted to an equivalent retail rate.
3. The trademark value was further enhanced to consider the royalty revenue received from domestic and international licensing of both the Serta and Simmons name to companies that sell primarily ancillary items such as pillows and beddings. These licensing agreements generally have terms between two and three years. The liquidation analysis assumes between 1.25 and 2.5 years of royalty revenue as an additive value for the trademarks.
4. The proceeds from the Debtors' trademarks in the liquidation analysis are assumed to range between \$45.7 - \$78.3 million.
5. The same assumptions are used for estimating the liquidation value of the trademarks at the non-Debtor subsidiaries.
6. With respect to Serta, Inc., the intellectual property is co-owned with non-Debtor third parties. Accordingly, it is likely that any liquidation of such intangible property may be complicated or impaired further through litigation with the co-owners.

There are other intangible assets related to patents, non-compete agreements, e-commerce platforms, and proprietary technology that are assumed to have no value in a liquidation analysis or any value would be covered by the assumed recovery on the trademarks.

*f. Net Proceeds from Non-Debtor Subsidiaries*

The Debtors have documented notes receivables ("Canada Notes") from its non-Debtor Canadian subsidiary totaling \$31.7 million at the Conversion Date. The Canada Notes do not have a security interest in the assets of the non-Debtor Canadian subsidiary and therefore are expected to recover their pro-rata share of the liquidation proceeds from the non-Debtor Canadian subsidiary.

The Debtors have funded and continue to fund certain operating liabilities of their non-Debtor Puerto Rican subsidiary in the ordinary course of business. On a monthly basis the non-Debtor Puerto-Rican subsidiary settles, in cash, the amount the Debtors paid on its behalf during the prior month. The intercompany liability owed by the non-Debtor Puerto Rican subsidiary to the Debtors is expected to recover its pro-rate share of the liquidation proceeds from the Non-Debtor Puerto Rican subsidiary.

The most significant asset (in terms of book value) owned by the Non-Debtor Subsidiaries is the Serta trademark owned by Serta, Inc. See section on Intangible Assets for assumptions regarding the liquidation value of this asset.

Any remaining proceeds, after satisfaction of liabilities, from the liquidation of the Non-Debtor Subsidiaries are assumed to be distributed to the Debtors on account of their equity interest in the non-Debtor Subsidiaries. The table below summarizes the recovery to the Debtors on account of their receivable from/equity interest in their non-Debtors subsidiaries (USD in millions):

| Non-Debtor Subsidiary | SSH Canada Holding Co, LLC | | Simmons Caribbean Bedding, Inc. | | Serta, Inc. | |
|---|---|---|---|---|---|---|
| | Low | High | Low | High | Low | High |
| Serta Intl. Holdings LLC | | | | | | |
| - Interco Receivable | $ 6.5 | $ 8.1 | N/A | N/A | N/A | N/A |
| Serta Simmons Bedding, LLC | | | | | | |
| - Interco Receivable | $ 2.4 | $ 3.0 | N/A | N/A | N/A | N/A |
| - Equity Interest | $ 0.0 | $ 0.0 | N/A | N/A | N/A | N/A |
| Simmons Bedding Co, LLC | | | | | | |
| - Interco Receivable | N/A | N/A | $ 0.5 | $ 0.5 | N/A | N/A |
| SSB Manufacturing Co. | | | | | | |
| - Equity Interest | N/A | N/A | $ 5.5 | $ 6.3 | N/A | N/A |
| National Bedding Co, LLC | | | | | | |
| - Interco Receivable | $ 0.7 | $ 0.9 | N/A | N/A | N/A | N/A |
| - Equity Interest | N/A | N/A | N/A | N/A | $ 22.6 | $ 47.8 |
| **Total Debtor Recoveries** | **$ 9.6** | **$ 12.0** | **$ 6.0** | **$ 6.8** | **$ 22.6** | **$ 47.8** |

Intercompany payables owed by the Debtors to its non-Debtor subsidiaries are assumed to receive no recovery. Additionally, there are no recoveries assumed for intercompany claims between Debtors.

Factors that could negatively impact the recoveries set forth in the Liquidation Analysis, include, but are not limited to: (a) turnover of key personnel, (b) customers taking advantage of the liquidation to avoid paying their receivables, (c) actual ability to monetize existing inventory, (d) customers transitioning away from the Debtors more quickly than assumed, (e) challenging economic conditions, and (f) delays in the liquidation process. These factors may limit the amount of the proceeds generated by the liquidation of the Debtors' assets (the "Liquidation Proceeds") available to the Trustee.

*g. Litigation & Avoidance Actions*

The Debtors have not seen any documents and are not otherwise aware of any evidence to support any litigation or avoidance actions. Accordingly, the litigation and avoidance actions have been estimated at zero ($0) for purposes of the distributions set forth in the Liquidation Analysis.

(iv) Wind Down Costs. The Debtors' chapter 7 liquidation is assumed to occur in two stages. During the first period, the Debtors are assumed to operate consistent with their normal operations, as assumed in their business plan, for sixty-days, with certain exceptions. During this period, the Debtors will liquidate their inventory and avoid the creation of additional administrative claims from failing to satisfy notification requirements under the Worker Adjustment and Retraining Act ("WARN Act"). The costs during this period reflect the wind down of inventory purchases and the elimination of the spending on advertising, capital expenditures, chapter 11 professional fees and other expenditures not benefiting the estate in a chapter 7 liquidation. The second phase of the wind down commences when the operations cease and remaining assets are converted to cash. The liquidation analysis assumes that it will take an additional six months to convert the assets to cash (i.e. collect accounts receivables, auction the property plant and equipment, sell the trademarks and other intangible assets and wind down the non-Debtor subsidiaries).

The liquidation analysis assumes that the wind down costs (excluding chapter 7 trustee fees) are estimated to be between $63.2 to $76.7 million. The wind down costs include the following:

- Accrued expenses incurred during the wind down of the operations and unpaid at the Conversion Date, which is estimated to be $10.7 million. These costs represent wages, sales and use taxes and property taxes.
- SG&A and plant expenses needed to wind down the business in an orderly fashion, which are estimated to be $36.7 million for the six months. These costs consist primarily of payroll and benefit costs, rent for facilities, and other costs to support the wind down.
- Retention payments to induce employees needed to support the wind down of the Debtors' business, which are estimated at 3 to 6 months of the final month's compensation expense. The costs are estimated to be between $10.2 and $20.3 million.
- Auction and broker fees for the liquidation of fixed assets, which are estimated between $5.6 and $9.0 million (10% of the gross proceeds).

The liquidation analysis assumes that the chapter 7 trustee fees will be three percent of the net proceeds available for distribution to the creditors. This is estimated to be between $10.6 and 13.6 million. Additionally, it is assumed that the chapter 7 trustee would retain legal and financial professionals to assist in their liquidation of the Debtors' business. It is assumed that the professional fees would approximate two percent of the proceeds available for distribution. This equates to approximately $7.2 and $9.2 million of professional fees or between $0.9 million to $1.1 million per month.

(v) Estimates of Claims. In preparing the Liquidation Analysis, the Debtors estimated Allowed Claims based on (1) the estimated principal and accrued interest for the FLFO Term Loan, FLSO Term Loan and Non-PTL debt ("Non-PTL Claims") on the Petition Date, (2) an estimate of the DIP Facility at the Conversion Date and adjusted for additional borrowings as a result of the chapter 7 conversion, (3) a review of the liabilities recorded in the Debtors' books and records as of December 31, 2022, adjusted as appropriate, and (4) an estimate of the administrative claims at the Conversion Date based on the Debtors' business plan forecast. The Liquidation Analysis also includes estimates for Claims that could be asserted and allowed in a chapter 7 liquidation, including Administrative Expenses, runoff costs (as detailed herein), Trustee fees, and other Allowed Claims. To date, the Bankruptcy Court has not estimated or otherwise fixed the total amount of Allowed Claims. For purposes of the Liquidation Analysis, the Debtors have estimated the amount of Allowed Claims and provided ranges of projected recoveries based on certain assumptions. Therefore, the Debtors' estimates of Allowed Claims set forth in the Liquidation Analysis should not be relied upon for any purpose other than considering the hypothetical distributions under a chapter 7 liquidation. Nothing contained in the Liquidation Analysis is intended to be or constitutes a concession or admission by the Debtors. The actual amount of Allowed Claims in the Chapter 11 Cases could materially differ from the estimated amounts set forth in the Liquidation Analysis.

*a. DIP Facility*

The Debtors have a $125.0 million DIP Facility. The balance outstanding under the DIP Facility at the Conversion Date reflects the minimum revolver draw under the DIP Facility of $10 million. It is assumed that there will be accrued and unpaid unused line fees as well as interest on letters of credit. Additionally, it is assumed that $7.5 million of stand-by letters of credit will be drawn as a result of the chapter 7 liquidation. Additionally, it is assumed that the professional fee Carve-Out Reserve will be funded as well as payment of professional fees for the PTL Lenders' advisors.

The DIP Facility claim is asserted against all Debtors.

*b. FLFO Claims*

The FLFO Claims were estimated at $197.7 million at the Petition Date, which includes accrued interest through the Petition Date. Interest is assumed to accrue through the Conversion Date, increasing the FLFO Claims to $204.8 million. No interest is assumed to accrue post-Conversion Date; however, the holders of FLFO Claims may assert additional claims with respect to interest, including but not limited to an adequate protection claim or section 506 postpetition claim for post-petition interest on account of their claim being over-secured. However, such claim, if pursued, is likely to be contested by the Trustee and may also result in counterclaims or separate litigation by the Trustee against the FLFO Claims.

The FLFO Claims are asserted against all Debtors.

*c. FLSO Claims*

The FLSO Claims were estimated at $843.4 million at the Petition Date, which included accrued interest through the Petition Date. No interest is assumed to accrue post-filing.

The FLSO Claims are asserted against all Debtors.

*d. Non-PTL Term Loan Claims*

The Non-PTL Claims were estimated at $879.9 million at the Petition Date, which included accrued interest through the Petition Date. No interest is assumed to accrue post-filing.

The Non-PTL Claims are asserted against all Debtors.

*e. Administrative Expenses Claims*

The Administrative Expenses Claims at the Conversion Date are assumed to be generated from post-petition activities and that Administrative Expenses Claims, at the Petition Date, as a result of claims under 503(b)(9) of the Bankruptcy Code are paid prior to the Conversion Date. The estimate of unpaid Administrative Expenses Claims at the Conversion Date is $157.9 million. Because there are unencumbered assets (real property of the Debtors) the Administrative Expenses Claims have a first priority in the proceeds from the liquidation of these assets. The Administrative Expenses Claims at the Conversion Date are segregated by Debtor based on the ratio of estimated trade claims at the Petition Date.

*f. Priority Taxes*

It is anticipated that unpaid priority taxes would be a *de minimus* amount as the Debtors are assumed to pay prepetition taxes prior to the Conversion Date in accordance with relief provided under the First Day Motions and related orders and given that the waterfall of the proceeds do not anticipate a recovery for this class, no estimate is shown.

*g. Other General Unsecured Claims*

The Debtors' Other General Unsecured Claims represent (1) prepetition vendor claims not satisfied prior to the Conversion Date, (2) claims from the rejection of non-residential real property leases, (3) miscellaneous litigation claims and (4) other unsecured debt, including liability stemming from the Debtors' withdrawal from its multi-employer pension plants prior to the Petition Date.

For Other General Unsecured Claims, the liquidation analysis uses the estimate of the accounts payable at the Petition Date and adjusts the balance for payment of prepetition claims pursuant to First Day

Motions and Orders (*i.e.* critical vendors, 503(b)(9) claims, customer programs, and lienholders), and deductions for deposits held by vendors.

The claims from the rejection of non-residential real property leases are calculated pursuant to section 502(b)(6) of the Bankruptcy Code.

The other components of the Debtors' Other General Unsecured Claims are estimated using their balances at December 31, 2022.

There has been no analysis of the potential rejection damages claims from the rejection of executory contracts, other than non-residential real property leases.

Additionally, General Unsecured Claims include an estimate of deficiency claims related to the FLSO, Non-PTL and Administrative Claims.

(vi) Conversion Date and Appointment of a Trustee. The Liquidation Analysis assumes a Conversion Date of May 8, 2023. Upon the Conversion Date, it is assumed that a Trustee would be appointed to oversee the liquidation of the estates. As a baseline, the Liquidation Analysis used each of the Debtors' unaudited assets and liabilities as of December 31, 2022, and then, as set forth herein, (a) the Debtors' forecasted balance of cash and cash equivalents was adjusted to take into account the projected use of cash between December 31, 2022 and the hypothetical Conversion Date and (b) the book values of certain assets and liabilities were adjusted, where appropriate, when more recent and accurate valuation information was available (in particular, the balances of the Debtors' cash and accounts receivable, the DIP Facility Claims as defined in the DIP Facility, the FLFO Claims, the FLSO Claims and the non-PTL Term Loan Claims). These unaudited estimates are derived from each Debtors' financial statements or more recent financial information, where available. The Debtors do not believe the use of such estimates will result in a material change to estimated recoveries on the Conversion Date unless otherwise noted.

(vii) Waterfall and Recovery Range. The Liquidation Analysis assumes that the proceeds generated from the liquidation of all the Debtors' assets, plus cash estimated to be held by the Debtors on the Conversion Date, will be reasonably available to the Trustee. After deducting the costs of liquidation, including the Trustee's fees and expenses and other administrative expenses incurred in the liquidation, the Trustee would allocate net Liquidation Proceeds to holders of Claims and Equity Interests at each Debtor entity in accordance with the priority scheme set forth in section 726 of the Bankruptcy Code. The Liquidation Analysis estimates high and low recovery percentages for Claims and Equity Interests upon the Trustee's application of the Liquidation Proceeds. As a starting point, the Debtors used the unaudited December 31, 2022 trial balance as a proxy for expected asset values on the Conversion Date (unless otherwise noted) and made adjustments to those values (a) to account for any known material changes expected to occur before the Conversion Date and (b) to account for any more recent valuation information that was available for certain assets and deemed to be a more accurate predictor of value in a liquidation scenario. While the Debtors expect to continue to incur obligations in the ordinary course of business until the Conversion Date (which obligations have not been reflected herein), the ultimate inclusion of such additional obligations is not expected to materially change the results of the Liquidation Analysis. The Liquidation Analysis does not reflect any potential recoveries that might be realized by the Trustee's potential pursuit of any avoidance actions, as the Debtors have not completed an analysis of the viability of such avoidance actions; however, the Debtors have not identified any avoidance actions that have meaningful value which would alter the estimates of claims or recoveries in the Liquidation Analysis. The Debtors have worked with their advisors to estimate ranges of recoveries as provided in this Liquidation Analysis. These ranges are estimates and should not be relied upon by any party. The Debtors do not provide assurances of any recoveries included herein.

*($ in Millions, unless otherwise noted)*

## Consolidated Summary

| | Notes | Estimated Book Value | Estimated Recovery $ Low | Estimated Recovery $ High | Estimated Recovery % Low | Estimated Recovery % High |
|---|---|---|---|---|---|---|
| **Summary of Assets & Liquidation Proceeds** | | | | | | |
| Cash & Cash Equivalents | [iii] | $ 191.6 | $ 191.6 | $ 191.6 | 100.0% | 100.0% |
| Accounts Receivable | [iii.a] | 125.2 | 93.3 | 112.0 | 74.5% | 89.4% |
| Inventory | [iii.b] | - | - | - | 0.0% | 0.0% |
| Prepaid Expenses & Deposits | [iii.c] | 36.8 | - | - | 0.0% | 0.0% |
| Property, Plant & Equipment | [iii.d] | 308.0 | 56.0 | 89.6 | 18.2% | 29.1% |
| Intangible Assets & Other Proceeds | [iii.e] | 1,097.4 | 45.7 | 78.3 | 4.2% | 7.1% |
| Non-Debtor Value | [iii.f] | 328.3 | 38.3 | 66.6 | 11.7% | 20.3% |
| **Gross Liquidation Proceeds** | | **$ 2,087.3** | **$ 424.9** | **$ 538.0** | **20.4%** | **25.8%** |
| **Creditor Recovery Waterfall / Use of Proceeds** | | | | | | |
| **I. Wind Down Costs** | | | | | | |
| Wind-Down Costs | [iv] | n/a | $ (63.2) | $ (76.7) | n/a | n/a |
| Trustee Fees | [iv] | n/a | (10.6) | (13.6) | n/a | n/a |
| Trustee Professionals | [iv] | n/a | (7.2) | (9.2) | n/a | n/a |
| **Total - Wind Down Costs** | | **-** | **$ (81.1)** | **$ (99.5)** | **-** | **-** |
| **Total Recoveries - After Wind-Down Costs** | | **n/a** | **$ 343.8** | **$ 438.5** | **n/a** | **n/a** |
| **II. Super Priority Claim Recoveries** | | | | | | |
| Super Priority DIP Claims | [v.a] | $ 50.9 | $ 50.9 | $ 50.9 | 100.0% | 100.0% |
| **Total - Super Priority Claims** | | **$ 50.9** | **$ 50.9** | **$ 50.9** | **100.0%** | **100.0%** |
| **III. PTL Claim Recoveries** | | | | | | |
| FLFO Term Loan Claims | [v.b] | $ 204.8 | $ 204.8 | $ 204.8 | 100.0% | 100.0% |
| FLSO Term Loan Claims | [v.c] | 843.4 | 60.8 | 146.2 | 7.2% | 17.3% |
| **Total - PTL Claims** | | **$ 1,048.2** | **$ 265.7** | **$ 351.0** | **25.3%** | **33.5%** |
| **IV. Non-PTL Claim Recoveries** | | | | | | |
| Non-PTL Claims | [v.d] | $ 879.9 | $ - | $ - | 0.0% | 0.0% |
| **Total - Non-PTL Claims** | | **$ 879.9** | **$ -** | **$ -** | **0.0%** | **0.0%** |
| **V. Administrative Claims Recoveries** | | | | | | |
| SSB Manufacturing Company Administrative Claims | [v.e] | $ 76.1 | $ 17.5 | $ 23.6 | 23.1% | 31.0% |
| The Simmons Manufacturing Co., LLC Administrative Claims | [v.e] | 38.1 | 9.7 | 13.1 | 25.5% | 34.3% |
| Other Debtors' Administrative Claims | [v.e] | 43.8 | - | - | 0.0% | 0.0% |
| **Total - Administrative Claims** | | **$ 157.9** | **$ 27.3** | **$ 36.6** | **17.3%** | **23.2%** |
| **VI. Priority Claims Recoveries** | | | | | | |
| Priority Tax Claims | [v.f] | $ - | $ - | $ - | 0.0% | 0.0% |
| **Total - Priority Claims** | | **$ -** | **$ -** | **$ -** | **0.0%** | **0.0%** |
| **VII. General Unsecured Claims** | | | | | | |
| General Unsecured Claims | [v.g] | $ 143.2 | $ - | $ - | 0.0% | 0.0% |
| FLSO Deficiency Claim | [v.g] | 739.8 | - | - | 0.0% | 0.0% |
| Non-PTL Deficiency Claim | [v.g] | 879.9 | - | - | 0.0% | 0.0% |
| Administrative Deficiency Claim | [v.g] | 126.0 | - | - | 0.0% | 0.0% |
| **Total - General Unsecured Claims** | | **$ 1,888.9** | **$ -** | **$ -** | **0.0%** | **0.0%** |
| **VIII. Other Claims / Interests** | | | | | | |
| Intercompany Claims | | n/a | $ - | $ - | 0.0% | 0.0% |
| Intercompany Interests | | n/a | - | - | 0.0% | 0.0% |
| Other Intercompany Interests | | n/a | - | - | 0.0% | 0.0% |
| Equity Interests | | n/a | - | - | 0.0% | 0.0% |
| **Total - Other Claims / Interests** | | **n/a** | **$ -** | **$ -** | **0.0%** | **0.0%** |
| **Total Recoveries - Consolidated** | | **$ 4,025.8** | **$ 343.8** | **$ 438.5** | **8.5%** | **10.9%** |

*($ in Millions, unless otherwise noted)*

## Administrative Claims Summary

| | SSB Manufacturing | | Simmons Manufacturing | | Serta Simmons Bedding | | Simmons Bedding | |
|---|---|---|---|---|---|---|---|---|
| | **Low** | **High** | **Low** | **High** | **Low** | **High** | **Low** | **High** |
| **Net Unencumbered Proceeds** | | | | | | | | |
| Gross Unencumbered Proceeds | $ 21.7 | $ 28.9 | $ 12.0 | $ 16.0 | $ - | $ - | $ - | $ - |
| Less: Wind-Down Costs | (3.2) | (4.1) | (1.8) | (2.3) | - | - | - | - |
| Less: Trustee Fees | (0.5) | (0.7) | (0.3) | (0.4) | - | - | - | - |
| Less: Trustee Professionals | (0.4) | (0.5) | (0.2) | (0.3) | - | - | - | - |
| **Net Unencumbered Proceeds** | **$ 17.5** | **$ 23.6** | **$ 9.7** | **$ 13.1** | **$ -** | **$ -** | **$ -** | **$ -** |
| **Estimated Admin Claims** | | | | | | | | |
| Postpetition Accounts Payable | $ 62.8 | $ 62.8 | $ 31.4 | $ 31.4 | $ 11.7 | $ 11.7 | $ 14.7 | $ 14.7 |
| Postpetition Accrued Expenses | 13.3 | 13.3 | 6.7 | 6.7 | 2.5 | 2.5 | 3.1 | 3.1 |
| **Total Admin Claims** | **$ 76.1** | **$ 76.1** | **$ 38.1** | **$ 38.1** | **$ 14.2** | **$ 14.2** | **$ 17.8** | **$ 17.8** |
| **Net Admin Claim Recoveries** | **$ 17.5** | **$ 23.6** | **$ 9.7** | **$ 13.1** | **$ -** | **$ -** | **$ -** | **$ -** |
| ***Memo: Recovery on Admin Claims*** | | | | | | | | |
| *% Recovery on Admin Claims* | *23.1%* | *31.0%* | *25.5%* | *34.3%* | *0.0%* | *0.0%* | *0.0%* | *0.0%* |

*($ in Millions, unless otherwise noted)*

## Administrative Claims Summary (cont.)

| | National Bedding | | Tuft & Needle | | Consolidated | |
|---|---|---|---|---|---|---|
| | Low | High | Low | High | Low | High |
| **Net Unencumbered Proceeds** | | | | | | |
| Gross Unencumbered Proceeds | $ - | $ - | $ - | $ - | $ 33.7 | $ 44.9 |
| Less: Wind-Down Costs | - | - | - | - | (5.0) | (6.4) |
| Less: Trustee Fees | - | - | - | - | (0.8) | (1.1) |
| Less: Trustee Professionals | - | - | - | - | (0.6) | (0.8) |
| **Net Unencumbered Proceeds** | **$ -** | **$ -** | **$ -** | **$ -** | **$ 27.3** | **$ 36.6** |
| **Estimated Admin Claims** | | | | | | |
| Postpetition Accounts Payable | $ 7.1 | $ 7.1 | $ 3.8 | $ 3.8 | $ 131.5 | $ 131.5 |
| Postpetition Accrued Expenses | 0.1 | 0.1 | 0.8 | 0.8 | 26.4 | 26.4 |
| **Total Admin Claims** | **$ 7.2** | **$ 7.2** | **$ 4.6** | **$ 4.6** | **$ 157.9** | **$ 157.9** |
| **Net Admin Claim Recoveries** | **$ -** | **$ -** | **$ -** | **$ -** | **$ 27.3** | **$ 36.6** |
| ***Memo: Recovery on Admin Claims*** | | | | | | |
| *% Recovery on Admin Claims* | *0.0%* | *0.0%* | *0.0%* | *0.0%* | *17.3%* | *23.2%* |

*($ in Millions, unless otherwise noted)*

**Serta Simmons Bedding, LLC**

| | Debtor Est. | Serta Simmons Bedding, LLC | | | | Consolidated | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Book Value | Low $ | High $ | Low % | High % | Low $ | High $ | Low % | High % |
| **Summary of Assets & Liquidation Proceeds** | | | | | | | | | |
| Cash & Cash Equivalents | $ - | $ - | $ - | 0.0% | 0.0% | $ 191.6 | $ 191.6 | 100.0% | 100.0% |
| Accounts Receivable | 3.2 | 2.4 | 2.9 | 75.0% | 90.0% | 93.3 | 112.0 | 74.5% | 89.4% |
| Inventory | - | - | - | 0.0% | 0.0% | - | - | 0.0% | 0.0% |
| Prepaid Expenses & Deposits | 27.1 | - | - | 0.0% | 0.0% | - | - | 0.0% | 0.0% |
| Property, Plant & Equipment | 113.5 | 3.2 | 6.5 | 2.9% | 5.7% | 56.0 | 89.6 | 18.2% | 29.1% |
| Intangible Assets & Other Proceeds | - | - | - | 0.0% | 0.0% | 45.7 | 78.3 | 4.2% | 7.1% |
| Non-Debtor Value | (29.0) | 2.4 | 3.0 | (8.4%) | (10.4%) | 38.3 | 66.6 | 11.7% | 20.3% |
| **Gross Liquidation Proceeds** | **$ 114.8** | **$ 8.1** | **$ 12.4** | **7.0%** | **10.8%** | **$ 424.9** | **$ 538.0** | **20.4%** | **25.8%** |
| **Creditor Recovery Waterfall / Use of Proceeds** | | | | | | | | | |
| **I. Wind Down Costs** | | | | | | | | | |
| Wind-Down Costs | n/a | $ (1.2) | $ (1.8) | n/a | n/a | $ (63.2) | $ (76.7) | n/a | n/a |
| Trustee Fees | n/a | (0.2) | (0.3) | n/a | n/a | (10.6) | (13.6) | n/a | n/a |
| Trustee Professionals | n/a | (0.1) | (0.2) | n/a | n/a | (7.2) | (9.2) | n/a | n/a |
| **Total - Wind Down Costs** | **-** | **$ (1.5)** | **$ (2.3)** | **-** | **-** | **$ (81.1)** | **$ (99.5)** | **-** | **-** |
| **Total Recoveries - After Wind-Down Costs** | **n/a** | **$ 6.5** | **$ 10.1** | **n/a** | **n/a** | **$ 343.8** | **$ 438.5** | **n/a** | **n/a** |
| **II. Super Priority Claim Recoveries[1]** | | | | | | | | | |
| Super Priority DIP Claims | $ 50.9 | $ - | $ - | 0.0% | 0.0% | $ 50.9 | $ 50.9 | 100.0% | 100.0% |
| **Total - Super Priority** | **$ 50.9** | **$ -** | **$ -** | **0.0%** | **0.0%** | **$ 50.9** | **$ 50.9** | **100.0%** | **100.0%** |
| **III. PTL Claim Recoveries** | | | | | | | | | |
| FLFO Term Loan Claims | $ 204.8 | $ 3.3 | $ 2.8 | 1.6% | 1.4% | $ 204.8 | $ 204.8 | 100.0% | 100.0% |
| FLSO Term Loan Claims | 843.4 | 3.3 | 7.4 | 0.4% | 0.9% | 60.8 | 146.2 | 7.2% | 17.3% |
| **Total - PTL Claims** | **$ 1,048.2** | **$ 6.5** | **$ 10.1** | **0.6%** | **1.0%** | **$ 265.7** | **$ 351.0** | **25.3%** | **33.5%** |
| **IV. Non-PTL Claim Recoveries** | | | | | | | | | |
| Non-PTL Claims | $ 879.9 | $ - | $ - | 0.0% | 0.0% | $ - | $ - | 0.0% | 0.0% |
| **Total - Non-PTL Claims** | **$ 879.9** | **$ -** | **$ -** | **0.0%** | **0.0%** | **$ -** | **$ -** | **0.0%** | **0.0%** |
| **V. Administrative Claims** | | | | | | | | | |
| Administrative Claims | $ 14.2 | $ - | $ - | 0.0% | 0.0% | $ 27.3 | $ 36.6 | 17.3% | 23.2% |
| **Total - Administrative Claims** | **$ 14.2** | **$ -** | **$ -** | **0.0%** | **0.0%** | **$ 27.3** | **$ 36.6** | **17.3%** | **23.2%** |
| **VI. Priority Claims** | | | | | | | | | |
| Priority Tax Claims | $ - | $ - | $ - | 0.0% | 0.0% | $ - | $ - | 0.0% | 0.0% |
| **Total - Priority Claims** | **$ -** | **$ -** | **$ -** | **0.0%** | **0.0%** | **$ -** | **$ -** | **0.0%** | **0.0%** |
| **VII. General Unsecured Claims** | | | | | | | | | |
| General Unsecured Claims | $ 21.7 | $ - | $ - | 0.0% | 0.0% | $ - | $ - | 0.0% | 0.0% |
| FLSO Deficiency Claims | 739.8 | - | - | 0.0% | 0.0% | - | - | 0.0% | 0.0% |
| Non-PTL Deficiency Claims | 879.9 | - | - | 0.0% | 0.0% | - | - | 0.0% | 0.0% |
| Administrative Deficiency Claims | 14.2 | - | - | 0.0% | 0.0% | - | - | 0.0% | 0.0% |
| **Total - General Unsecured Claims** | **$ 1,655.6** | **$ -** | **$ -** | **0.0%** | **0.0%** | **$ -** | **$ -** | **0.0%** | **0.0%** |
| **VIII. Other Claims / Interests** | | | | | | | | | |
| Intercompany Claims | n/a | $ - | $ - | 0.0% | 0.0% | $ - | $ - | 0.0% | 0.0% |
| Intercompany Interests | n/a | - | - | 0.0% | 0.0% | - | - | 0.0% | 0.0% |
| Other Intercompany Interests | n/a | - | - | 0.0% | 0.0% | - | - | 0.0% | 0.0% |
| Equity Interests | n/a | - | - | 0.0% | 0.0% | - | - | 0.0% | 0.0% |
| **Total - Other Claims / Interests** | **$ -** | **$ -** | **$ -** | **0.0%** | **0.0%** | **$ -** | **$ -** | **0.0%** | **0.0%** |
| **Total Recoveries** | **$ 3,648.8** | **$ 6.5** | **$ 10.1** | **0.2%** | **0.3%** | **$ 343.8** | **$ 438.5** | **8.5%** | **10.9%** |

***Notes***

*1) Superpriority recoveries are entirely from SSB Manufacturing, which holds majority of the cash & cash equivalents.*